



7050-01

LEGAL SERVICES CORPORATION

Notice of Proposed Revisions for the LSC Grant Assurances for Calendar Year 2015 Funding

AGENCY: Legal Services Corporation.

ACTION: Notice of proposed changes and request for comments.

SUMMARY: The Legal Services Corporation ("LSC") intends to revise the LSC Grant Assurances for calendar year 2015 funding and is soliciting public comment on the proposed changes. The proposed revisions affect Grant Assurances 8, 9, 10, 11, 15, and 16. The proposed LSC grant assurances for calendar year 2015 funding, in redline format indicating the proposed changes to the current "LSC 2014 Grant Assurances," are available at <http://grants.lsc.gov/sites/default/files/Grants/ReferenceMaterials/2015-GrantAssurances-Proposed.pdf>.

DATES: All comments and recommendations must be received on or before the close of business on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Written comments may be submitted by mail, e-mail, or fax to Reginald J. Haley, Office of Program Performance, Legal Services Corporation, 3333 K Street, NW, Washington, DC 20007; LSCGrantAssurances@lsc.gov; or (202) 337-6813 (fax). Comments may also be submitted online at <http://www.lsc.gov/contact-us>.

FOR FURTHER INFORMATION CONTACT: Reginald J. Haley, haleyjr@lsc.gov, (202) 295-1545.

SUPPLEMENTARY INFORMATION: The purpose of the LSC grant assurances is to delineate the rights and responsibilities of LSC and the recipient pursuant to the provisions of the grant. As a grant making agency created by Congress, LSC has grant assurances that are intended to reiterate and/or clarify the responsibilities and obligations already applicable through existing law and regulations and/or obligate the recipient to comply with specific additional requirements in order to effectuate the purposes of the Legal Services Corporation Act, as amended, and other applicable law. A summary of the changes proposed follows.

Grant Assurance #8 requires LSC recipients to have an information security system, the capacity to conduct program-wide conflicts checking, a system for backing up program data, the capacity to digitally transmit data to LSC, and appropriate computer hardware and software for casehandlers. The proposed change is a technical edit in the last sentence of grant assurance #8, paragraph (e).

Grant Assurance #9 requires LSC recipients to work with other LSC and non-LSC funded legal services providers in the state to ensure that there is a statewide website that publishes a full range of legal information covering the common issues facing the client community. The proposed changes to the grant assurance requires LSC recipients to notify site visitors that LSC recipients' participation in the website is consistent with LSC restrictions and provides recipients with sample disclaimer language to that effect.

Grant Assurance #10 requires LSC recipients to give LSC and the U.S. Comptroller General access to records they are entitled to under the provisions of the LSC Act and other applicable law. The proposed change to the grant assurance requires LSC recipients to provide access to records in accordance with Federal law. The

proposed change results from the recent decision of the Court of Appeals for the District of Columbia Circuit in U.S. v. Cal. Rural Legal Assistance, 722 F.3d 424. In that case, which involved an action to enforce a subpoena for documents held by an LSC recipient, the D.C. Circuit held that Federal law regarding privilege, not state law, governs. The proposed change also includes technical edits in the last two sentences, which further clarify the grant assurance.

Grant Assurance #11 requires LSC recipients to provide LSC and other Federal agencies auditing the recipient access to financial records, time records, retainer agreements, client trust fund and eligibility records, and client names, except for those reports or records that may be properly withheld under Federal law. As with Grant Assurance #10, the proposed change results from the decision in U.S. v. Cal. Rural Legal Assistance. The proposed change also includes technical edits, which further clarify the grant assurance.

Grant Assurance #15 requires LSC recipients to notify LSC of any crime, fraud, misappropriation, embezzlement, or theft or loss of \$200 or more or theft involving property regardless of whether the funds or property are recovered; when local, state, or Federal law enforcement officials are contacted by the program about a crime; or when it has been the victim of a theft that could lead to a loss of \$200 or more. The proposed change to the grant assurance notifies LSC recipients that fraudulent timekeeping must also be reported to LSC.

Grant Assurance #16 requires recipients to notify LSC of a receipt of any notice of a claim for attorney's fees from the recipient; any monetary judgment, sanction, or penalty entered against the recipient; or a force majeure event. The proposed change to

the grant assurance requires LSC recipients to notify LSC if any of the recipient's key officials is charged with fraud, misappropriation, embezzlement, theft, or any similar offense, or is subjected to suspension, loss of license, or other disciplinary action by a bar or other professional licensing organization.

Dated: April 25, 2014.

Stefanie K. Davis,
Assistant General Counsel.

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